

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

**z4 TECHNOLOGIES, INC.**

**Plaintiff**

**vs.**

**MICROSOFT CORPORATION,  
AND AUTODESK, INC.**

**Defendants**

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**CASE NO. 6:06-CV-142**

**FINAL JUDGMENT**

This matter came for trial before a jury on April 10, 2006. Plaintiff z4 Technologies, Inc. ("z4") appeared in person and through its attorney and announced ready for trial. Defendants Microsoft Corporation ("Microsoft") and Autodesk, Inc. ("Autodesk") (collectively "Defendants") appeared in person and through their attorneys and announced ready for trial. The Court then empaneled and swore in the jury. Trial commenced on April 10, 2006, and continued through April 18, 2006. On April 18, 2006 the Court submitted questions, definitions, and instructions to the jury. Early in the morning on April 19, 2006, the jury returned a unanimous verdict that the Court received, filed, and entered of record.

The jury, in its verdict, determined that Microsoft infringed claim 32 of United States Patent No. 6,044,471 ("the '471 patent") and claims 44 and 131 of United States Patent No. 6,785,825 ("the '825 patent"), that Microsoft wilfully infringed all three of these claims, that Autodesk infringed claim 32 of the '471 patent and claim 131 of the '825 patent, that none of the asserted claims of the patents-in-suit are invalid as anticipated or obvious, that z4's actual damages with regard to Microsoft total \$115,000,000, and that z4's actual damages with regard to Autodesk total

\$18,000,000. Microsoft and Autodesk's defense of unenforceability of the patents-in-suit due to inequitable conduct was tried to the Court, and, on August 18, 2006, the Court announced its decision that, based upon the evidence introduced during trial, Defendants did not prove that z4 or inventor David Colvin engaged in inequitable conduct with respect to the patents-in-suit.

z4 has requested an award of enhanced damages under 35 U.S.C. § 284 against Microsoft, attorneys' fees and expenses under 35 U.S.C. § 285 against both Defendants, pre-judgment interest against both Defendants, and a permanent injunction prohibiting infringement of the asserted claims of the patents-in-suit under 35 U.S.C. § 283 against both Defendants. On June 14, 2006, the Court issued a Memorandum Opinion and Order denying z4's request for a permanent injunction. On August 18, 2006, the court entered an Order enjoining Autodesk from infringing the patents-in-suit. On that same day, the Court determined that z4 should be awarded enhanced damages in the amount of \$25,000,000 and attorneys' fees in the amount of \$1,978,000 against Microsoft, attorneys' fees in the amount of \$322,000 against Autodesk, and prejudgment interest against both Defendants at the prime rate compounded monthly. In accordance with the jury's verdict and the Court's post-trial rulings, the Court renders the following judgment.

It is hereby **ORDERED, ADJUDGED, AND DECREED** that Plaintiff z4 Technologies, Inc. have and recover from Defendant Microsoft Corporation, the following:

One Hundred and Fifteen Million Dollars (\$115,000,000) in actual damages;

Twenty-Five Million Dollars (\$25,000,000) in enhanced damages pursuant to 35 U.S.C. § 284;

One Million, Nine Hundred and Seventy-Eight Thousand Dollars (\$1,978,000) in attorneys' fees and expenses pursuant to 35 U.S.C. § 285;

Prejudgment interest on the actual damages found by the jury calculated at the prime rate as of August 18, 2006 and compounded monthly from the date of infringement through July 31, 2006, plus *per diem* interest from August 1, 2006 until the date of this judgment.

Postjudgment interest is payable on all the above amounts at the lawful rate under 28 U.S.C. § 1961 from the date this judgment is entered until the date the judgment is paid; and

One half of z4's Costs of Court.

It is further **ORDERED, ADJUDGED, AND DECREED** that Plaintiff z4 Technologies, Inc. have and recover from Defendant Autodesk, Inc., the following:

Eighteen Million Dollars (\$18,000,000) in actual damages;

Three Hundred and Twenty-Two Thousand Dollars (\$322,000) in attorneys' fees and expenses pursuant to 35 U.S.C. § 285;

Prejudgment interest on the actual damages found by the jury calculated at the prime rate as of August 18, 2006 and compounded monthly from the date of infringement through July 31, 2006, plus *per diem* interest from August 1, 2006 until the date of this judgment.

Postjudgment interest is payable on all the above amounts at the lawful rate under 28 U.S.C. § 1961 from the date this judgment is entered until the date the judgment is paid; and

One half of z4's Costs of Court.

All relief not granted in this judgment is **DENIED**.

**So ORDERED and SIGNED this 18th day of August, 2006.**

A handwritten signature in black ink, appearing to read 'Leonard Davis', written over a horizontal line.

**LEONARD DAVIS**  
**UNITED STATES DISTRICT JUDGE**